FY-2007 DBE Goal Update for the Albuquerque International Airport and Double Eagle II Airport Albuquerque, New Mexico

City of Albuquerque – Aviation Department

June 2006

DBELO – Cara MacNinch
City of Albuquerque - Aviation Department
Albuquerque International Sunport (ABQ)
PO Box 9948
Albuquerque, NM 87119-1048
Telephone No: 505-244-7716
Fax No: 505-244-7793

 $Email\ Address: \underline{cmacninch@cabq.gov}$

FAA Overall Goals (§26.45)

Name of Recipient: City Of Albuquerque – Aviation Department

Goal Period: October 1, 2006 through September 30, 2007

DOT Assisted Contract Amount: \$34,549,339 DBE Goal: 4.51%

Number and Type of Projects for this FY:

- 1. Albuquerque International Sunport -Terminal Apron Construction Phase II
- 2. Albuquerque International Sunport –Reconstruct Taxiway E
- 3. Albuquerque International Sunport South GA Apron
- 4. Double Eagle II Airport Airfield Maintenance Building

Market Area

The market area was determined to be Market Area One. Market Area One consists of the Geographical area where the Albuquerque International Sunport and Double Eagle II Airport are located (Geographical Area One). Geographical Area One is comprised of the following counties: Sandoval, Santa Fe, Bernalillo, Los Alamos and Valencia. Market Area One was determined as the market area because a substantial majority of the contractors and subcontractors (at least 46%) are established within this area.

Analysis

Project One: Albuquerque International Sunport - Terminal Apron Construction - Phase II

Step 1: The method used to calculate the relative availability of the DBE's for step one in this process utilizes 26.45(c)(1) DBE Directories and Census Bureau Data. The base figure was determined by weighing each work item and multiplying that number by the total DBE firms in the local market area by the total of all firms in the market area.

Table One Project One: Albuquerque International Sunport -Terminal Apron Construction – Phase II

NAICS Code	Work Item	DBE's in Market Area	All Available Firms	Total Amount
2381	Excavation	9	361	\$100,000
23811	Concrete	8	87	\$12,652,500
23821	Electrical	6	283	\$650,000
54137	Survey	6	56	\$90,000
541330	Engineering	8	266	\$1,005,000
54138/54169	Inspection/Testing	1	92	\$1,971,118
237/2373	Heavy Construction/ Highway, Streets	19	237	\$8,396,641
238	Markings, Other Specialty Contractors	16	1589	\$93,750
48411	Trucking	5	39	\$140,991
	TOTAL	78	3010	\$25,100,000

Source: County Business Patterns and NMDOT DBE Directory

The construction estimate for this project is \$25,100,000. Of that amount, \$100,000 or .40% is anticipated for excavation, \$12,652,500 or 50% is anticipated for concrete work, \$650,000 or 3% is anticipated for electrical, \$90,000 or 0.37% is anticipated for survey, \$1,005,000 or 4% is anticipated for engineering, \$1,971,118 or 7.85% is anticipated for testing/inspection, \$8,396,641 or 33.45% is anticipated for heavy construction, \$93,750 or 0.37% is anticipated for markings or other specialty contractors, and \$140,991 or 0.56% is anticipated for trucking.

Therefore, the baseline DBE goal for this contract was weighted so that it would more accurately reflect the potential DBE participation, as shown below.

E = Excavation C = Concrete EL - Electrical

S = Survey En = Engineering T/I = Inspection/Testing

HC = Heavy Construction M = Markings T = Trucking

Project One Base Figure = % E x # DBE in Local market (E) + % C # DBE in Local Market (C) + # All Firms (E) # All Firms (C)

% EL x # DBE in Local Market (EL) + % S x # DBE in Local market (S) + # All Firms (EL) # All Firms (S)

% En <u># DBE in Local Market (En)</u> + % T/I x <u># DBE in Local Market (T/I)</u> + # All Firms (En) # All Firms (T/I)

% HC # DBE in Local Market (HC) + % M x # DBE in Local Market (M) + % T x # DBE in Local Market (T) # All Firms (HC) # All Firms (M) # All Firms (T)

Project One Base Figure = .004 (9/361) + .50 (8/87) + .03 (6/283) + .0037 (6/56) + .04 (8/266) + .0785 (1/92) + .3345 (19/237) + .0037 (16/1589) + .0056 (5/39)

Project One Base Figure = 7.67%

Project Two: Albuquerque International Sunport - Reconstruct Taxiway E

Step 1: The method used to calculate the relative availability of the DBE's for step one in this process utilizes 26.45(c)(1) DBE Directories and Census Bureau Data. The base figure was determined by dividing the total DBE number firms in the local market area by the total of all firms in the market area.

Table Two
Project Two: Albuquerque International Sunport – Reconstruct Taxiway E

NAICS Code	Work Item	DBE's in Market Area	All Available Firms
541330	Engineering Services	8	266
54138/54169	Inspection/Testing	1	92
237/2373	Heavy Construction/Highway, Streets	19	237
238	Markings, Other Specialty Contractors	16	1589
48411	Trucking	5	39
23821	Electrical	6	283
54137	Surveying	6	56
541620	Geotechnical	11	73
2381	Excavation	9	361
	TOTAL	81	2996

Source: County Business Patterns and NMDOT DBE Directory

Project Two Base Figure = #_DBE's in Market Area # All Firms

Project Two Base Figure = 81

Project Two Base Figure = 2.70%

Project Three: Albuquerque International Sunport - South General Aviation Reconstruction

Step 1: The method used to calculate the relative availability of the DBE's for step one in this process utilizes 26.45(c)(1) DBE Directories and Census Bureau Data. The base figure was determined by weighing each work item and multiplying that number by the total DBE firms in the local market area by the total of all firms in the market area.

Table Three

Project Three: Albuquerque International Sunport – South General Aviation Apron

NAICS Code	Work Item	DBE's in Market Area	All Available Firms	Total Amount
2381	Excavation	9	361	\$60,000
238	Markings, Other Specialty Contractors	16	1589	\$10,000
541330	Engineering	8	266	\$724,280
54138/54169	Inspection/Testing	1	92	\$482,853
54137	Survey	6	56	\$50,000
48411	Trucking	5	39	\$46,070
23811	Concrete	8	87	\$5,223,334
237/2373	Heavy Construction/ Highway, Streets	19	237	\$2,352,802
	TOTAL	72	2727	\$8,949,339

Source: County Business Patterns and NMDOT DBE Directory

The construction estimate for this project is \$8,949,339. Of that amount, \$60,000 or .67 % is anticipated for excavation, \$10,000 or 0.11 % is anticipated for markings or other specialty contractors, \$724,280 or 8.09% is anticipated for engineering, \$482,853 or 5.40% is anticipated for testing/inspection, \$50,000 or 0.56% is anticipated for survey, \$46,070 or 0.51% is anticipated for trucking, \$5,223,334 or 58.37% is anticipated for concrete, and \$2,352,802 or 26.29% is anticipated for heavy construction.

Therefore, the baseline DBE goal for this contract was weighted so that it would more accurately reflect the potential DBE participation, as shown below.

 $E = Excavation \qquad \qquad M = Markings \qquad \qquad En = Engineering \\ T/I = Inspection/Testing \qquad \qquad S = Survey \qquad \qquad T = Trucking$

C = Concrete HC = Heavy Construction

Project Three Base Figure = % E x # DBE in Local market (E) + % M x # DBE in Local Market (M) + # All Firms (E) # All Firms (M)

% En x # DBE in Local Market (En) + % T/I x # DBE in Local market (T/I) + %S x #of DBE in Local Market (S) # All Firms (En) # All Firms (T/I) # All Firms (S)

+ % T x #DBE in Local Market (T) + % C #DBE in Local Market (C) + % HC x #DBE in Local Market (HC) # All Firms (T) # All Firms (C) # All Firms (HC)

Project Three Base Figure = .067 (9/361) + .0011 (16/1589) + .0809 (8/266) + .054 (1/92) + .0056 (6/56) + .0051 (5/39) + .5837 (8/87) + .2629 (19/237)

Project Three Base Figure = 8.07%

Project Four: Double Eagle II Airport – Relocate Instrument Landing System (ILS) to Runway 17-35

Step 1: The method used to calculate the relative availability of the DBE's for step one in this process utilizes 26.45(c)(1) DBE Directories and Census Bureau Data. The base figure was determined by dividing the total DBE number firms in the local market area by the total of all firms in the market area.

Table Four
Project Four: Double Eagle II Airport – Relocate ILS to Runway 17-35

NAICS Code	Work Item	DBE's in Market Area	All Available Firms
23821	Electrical	6	283
237/2373	Heavy Construction/ Highway, Streets	19	237
541330	Engineering	8	266
54137	Survey	6	56
54138/54169	Inspection/Testing	1	92
	TOTAL	40	934

Source: County Business Patterns and NMDOT DBE Directory

Project Four Base Figure = #_DBE's in Market Area # All Firms

Project Four Base Figure = $\frac{40}{934}$

Project Four Base Figure = 4.28%

Following the procedures of calculating a base figure for each project, an additional weight factor will be applied to each project's base figure based on their preliminary project budget estimates. Those weight factors can be seen in the table below.

Table Five City of Albuquerque – Aviation Department FY 2007 Weight Factors

Project (Contract)	Amount of Estimate	% of Total Estimate/Weight Factor
1 - Construction	\$25,100,000	72.65%
2 - Construction	\$300,000	0.87%
3 - Construction	\$8,949,339	25.90%
4 - Construction	\$200,000	0.58%
Total	\$34,549,339	100%

The Overall Base Figure is calculated by multiplying each projects base figure by its weight factor, and adding them together.

City of Albuquerque Aviation Base Figure = (.0767 * .7265) + (.0270 * .0087) + (.0807 * .2590) + (.0428 * .0058)

City of Albuquerque Aviation Base Figure = 0.0557 + 0.0002 + 0.0209 + 0.0002

City of Albuquerque Aviation Base Figure = 7.71%

Step 2: This step is intended to adjust the base figure percentage calculated in Step 1 to reflect as accurately as possible the DBE participation that the City of Albuquerque – Aviation Department would expect in the absence of discrimination.

We have considered all of the other factors, which include the current capacity of DBE's to perform work in the DOT assisted program. We also considered the available evidence from related fields that affect the opportunities for DBE firms to form, grow, and compete and in our research, none of the previous mentioned factors require an adjustment to the base figure.

Our base figure is not the goal of another recipient and therefore was not considered as an adjustment factor.

In our research, we discovered that a disparity study was done by B.B.C. Research, out of Denver, Colorado, for the State of New Mexico in 1995. This information is outdated and accordingly, it was not considered as an adjustment factor.

There have been projects within the City of Albuquerque – Aviation Department that are similar to the FY 2007 projects. Table Six reflects the overall goal, and achieved goal for similar projects within the City of Albuquerque – Aviation Department.

Table Four City of Albuquerque – Aviation Department Past Participation

AIP Number	Description	Overall Goal	Achieved Goal
3-35-0003-026-2002	Runway/Taxiway		
3-35-0003-027-2002	Rehabilitation	10%	1.30%

In the past six years, there has been only one similar project at Albuquerque Sunport and the Double Eagle II Airport that has been completed. There is a runway rehabilitation project that is currently underway at the Double Eagle II Airport; however construction will not be complete until July 2006. We were able to obtain past participation for the similar project. The goal for the project was 10 percent and the achievement was 1.3 percent. While the goal was not achieved during that particular fiscal year, because the project is similar past participation is going to be considered as an adjustment factor.

Past participation will be accounted for by averaging the FY 2007 base figure with the similar project achieved goal and dividing by two.

Overall Adjusted Goal =
$$\frac{7.71\% \text{ (Base Figure)} + 1.3\% \text{ (Historical Achievement)}}{2}$$

Overall Adjusted Goal = 4.51%

The proposed overall goal for the City of Albuquerque – Aviation Department can be seen below.

City of Albuquerque - Aviation Department Proposed Overall Goal = 4.51%

Breakout of Estimated Race-Neutral & Race Conscious Participation (§26.51 (b) (1-9))

The City of Albuquerque – Aviation Department will meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating DBE participation. The City of Albuquerque - Aviation Department uses the following race-neutral means to increase DBE participation: By arranging solicitations, times for the presentation of bids, quantities, specifications, and delivery schedules in a way to facilitate DBE, and other small businesses, participation (e.g. requiring and/or encouraging prime contractors to subcontract portions of work that they might otherwise perform with there own forces).

The following is a summary of the basis of our estimated breakout of race-neutral and race-conscious DBE participation. As can be seen from Table Four, the DBE goal for a similar project within the City of Albuquerque – Aviation Department was not achieved for similar projects. Therefore, the City of Albuquerque – Aviation Department estimates that in meeting its overall goal of 4.51%, we will obtain 0% from race-neutral participation and 4.51% from race-conscious participation.

The City of Albuquerque – Aviation Department will adjust the estimated breakout of race-neutral and race-conscious DBE participation as needed to reflect actual DBE participation (see Section 26.51(f)) and track and report race-neutral and race-conscious participation separately. For reporting purposes, race-neutral DBE participation includes, but is not necessarily limited to, the following: DBE

participation through a prime contract obtained through customary competitive procurement procedures; DBE participation through a subcontract on a prime contract that does not carry a DBE goal, DBE participation on a prime contract exceeding a contract goal and DBE participation through a subcontract from a prime contractor that did not consider a firm's DBE status in making the award.

Public Participation

Consultation

In an effort to establish a level playing field, the following organizations were contacted:

The Albuquerque Chamber of Commerce
The Associated General Contractors – New Mexico Builders Branch
Small Business Development Center – Santa Fe Community College

The overall goal adopted for this year (FY 2007) was developed while consulting with the above named firms. Letters were sent out to the above named firms on May 16, 2006. Copies of the letters can be seen at the end of this attachment. All comments are due back by May 26, 2006. Once the comments are received, if there are any major changes to the way the goal should have been calculated, the goal will be recalculated. All comments received will be included at the end of this attachment.

Public Notice

The proposed goal and rationale was advertised as available for inspection in the Albuquerque Journal, 7777 Jefferson NE, Albuquerque, NM 87109, 505-823-3800, and the Construction Reporter, 1609 2nd Street NW, Albuquerque, NM 87102, 505-243-9793. A copy of the notice can be seen at the end of this attachment.

Sample Public Notice Language:

Disadvantaged Business Enterprise (DBE) Goals for Federal Fiscal Year 2007

The City of Albuquerque – Aviation Department hereby announces its fiscal year 2007 DBE Goal of 4.51% for airport construction projects. The proposed goal and goal setting methodology are available for inspection between 8:00 a.m. and 5:00 p.m. Monday through Friday for a period of 30 days following the date of this notice at the Albuquerque International Sunport, Aviation Department, 2200 Sunport Blvd. SE, Albuquerque, New Mexico 87106. The fiscal year 2007 DBE goals will also available for viewing on the internet at http://www.cabq.gov/airport/.

The Aviation Department will accept comments on the DBE goals for 45 days from the date of this notice. Comments can be sent to either of the following:

DBELO
Cara M. MacNinch
Business Development
City of Albuquerque - Aviation Department
Albuquerque International Sunport
PO Box 9948
Albuquerque, NM 87119-1048

Federal Aviation Administration Civil Rights Staff, ASW-9C 2601 Meacham Boulevard Fort Worth, TX 76137-4298

Contract Goals

The City of Albuquerque – Aviation Department will use contract goals to meet any portion of the overall goal that the recipient does not project being able to meet using race-neutral means. Contract goals are established so that, over the period to which the overall goal applies, they will cumulatively result in meeting any portion of the recipient's overall goal that is not projected to be met through the use of race-neutral means.

The City of Albuquerque – Aviation Department will establish contract goals only on those DOT-assisted contracts that have subcontracting possibilities. It need not establish a contract goal on every such contract, and the size of the contract goals will be adapted to the circumstances of each such contract (e.g., type and location of work and availability of DBE's to perform the particular type of work).

The City of Albuquerque – Aviation Department will express its contract goals as a percentage of the total amount of DBE-assisted contract.

New Mexico Total DBE's Per Market Area

County	23821 Electrical	2373/237 Heavy Construction/ Highway, Streets	238 Markings, Fencing, Other Specialty Contractors	2381 Foundation, Structural and Building Exterior Contractors	44422 Lawn/ Garden	23816 Roofing	23822 Mechanical	23811 Concrete Work	541330 Engineering Services	54138/5416 9 Inspection/ Testing	54137 Surveying	541620 Geotechnical/ Environmental
MARKET AREA 1												

Geographical Area 1													
Sandoval	1	2	0	2	1	0	0	0	1	1	0	0	1
Santa Fe	0	2	3	1	1	0	1	0	1	1	1	1	4
Los Alamos	0	0	0	0	0	0	0	0	0	0	0	0	0
Valencia	1	1	1	1	2	1	1	0	3	0	0	1	1
Bernalillo	4	14	12	1	5	1	2	2	3	6	0	4	5
TOTAL	6	19	16	5	9	2	4	2	8	8	1	6	11
		•			•			•	•	•	•	•	•
Market Area 1 Total	6	19	16	5	9	2	4	2	8	8	1	6	11

New Mexico Total Establishments By Market Area

County	23821 Electrical	2373/237 Heavy Construction/ Highway, Streets	238 Markings, Fencing, Other Specialty Contractors	48411 Trucking	2381 Foundation, Structural and Building Exterior Contractors	44422 Lawn/ Garden	23816 Roofing	23822 Mechanical	23811 Concrete Work	541330 Engineering Services	54138/5416 9 Inspection/ Testing	54137 Surveying	541620 Geotechnical/ Environmental
--------	---------------------	---	---	-------------------	---	--------------------------	------------------	---------------------	---------------------------	-----------------------------------	---	--------------------	--

MARKET AREA 1

Geographical Area 1													
Sandoval	20	22	121	2	30	4	3	26	9	13	9	5	7
Santa Fe	58	41	337	5	91	11	25	71	18	35	23	17	11
Los Alamos	4	2	65	0	1	0	0	7	1	16	2	0	8
Valencia	18	21	96	5	19	2	2	19	7	13	3	4	2
Bernalillo	183	151	970	27	220	18	45	221	52	189	55	30	45
TOTAL	283	237	1589	39	361	35	75	344	87	266	92	56	73
			•		•							•	•
Market Area 1 Total	283	237	1589	39	361	35	75	344	87	266	92	56	73

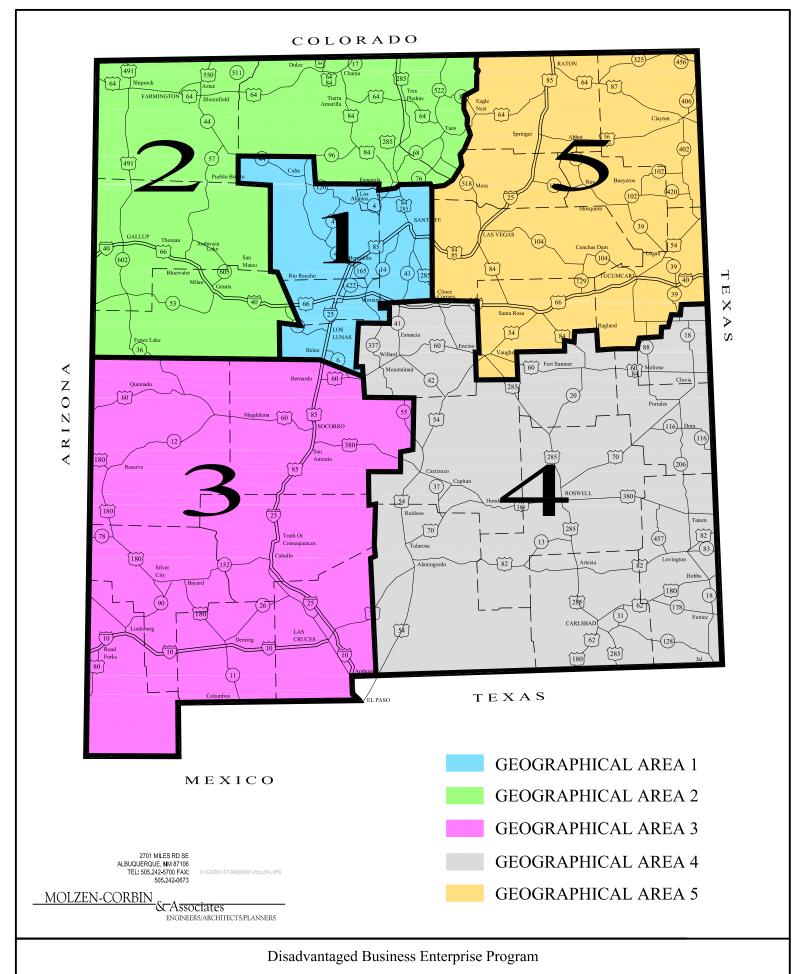
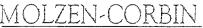


Figure 1: New Mexico Market Areas

2701 MILES RD SE ALBUQUERQUE, NM 87106 TEL: 505.242.5700 FAX: 505.242.0673



& Associates

May 16, 2006

ENGINEERS/ARCHITECTS/PLANNERS

Associated General Contractors New Mexico Building Branch 1615 University Blvd., NE Albuquerque, New Mexico 87102-1791

RE: City of Albuquerque – Aviation Department Disadvantaged Business Enterprise Program - FY 2007 Overall Goals

Dear Sir or Madam:

We are in the process of completing the overall goal portion of the City of Albuquerque Aviation Department Disadvantaged Business Enterprise (DBE) Plan. According to 49 CFR Parts 23 and 26, as part of our public participation process, we are requesting that you please review the enclosed overall goals for the City of Albuquerque – Aviation Department and fill out the enclosed sheet with your comments.

The City of Albuquerque – Aviation Department utilizes the DBE database of the New Mexico Department of Transportation (NMDOT). Encouraging minority-owned and women-owned businesses to participate in this program might increase the percentages for future projects. For information on how to participate in the DBE program through the NMDOT, please contact Mr. Lance Lalich at 505-827-1776.

Please send your comments in the enclosed self-addressed, stamped envelope no later than May 25, 2006. You could also fax your comments to Ms. Cara MacNinch at 505-244-7793 or e-mail your comments to cmacninch@cabq.gov. Additionally, if you have information of DBE businesses (contractors, material suppliers, etc.), please share with them the potential of work under these projects.

We would like to thank you in advance for your help. If you have any questions or need any additional information, please call either Ms. Cara MacNinch at 505-244-7716 or me at (505) 242-5700.

Sincerely,

MOLZEN-CORBIN & ASSOCIATES

Jame M. Lucero

Jane M. Lucero

JML:jgo

2701 MILES RD SE ALBUQUERQUE, NM 87106 TEL: 505.242.5700 FAX: 505.242.0673



MOLZEN-CORBIN

& Associates

May 16, 2006

ENGINEERS/ARCHITECTS/PLANNERS

Greater Albuquerque Chamber of Commerce P.O. Box 25100 Albuquerque, New Mexico 87125

RE: City of Albuquerque – Aviation Department Disadvantaged Business Enterprise Program - FY 2007 Overall Goals

Dear Sir or Madam:

We are in the process of completing the overall goal portion of the City of Albuquerque Aviation Department Disadvantaged Business Enterprise (DBE) Plan. According to 49 CFR Parts 23 and 26, as part of our public participation process, we are requesting that you please review the enclosed overall goals for the City of Albuquerque – Aviation Department and fill out the enclosed sheet with your comments.

The City of Albuquerque – Aviation Department utilizes the DBE database of the New Mexico Department of Transportation (NMDOT). Encouraging minority-owned and women-owned businesses to participate in this program might increase the percentages for future projects. For information on how to participate in the DBE program through the NMDOT, please contact Mr. Lance Lalich at 505-827-1776.

Please send your comments in the enclosed self-addressed, stamped envelope no later than May 25, 2006. You could also fax your comments to Ms. Cara MacNinch at 505-244-7793 or e-mail your comments to cmacninch@cabq.gov. Additionally, if you have information of DBE businesses (contractors, material suppliers, etc.), please share with them the potential of work under these projects.

We would like to thank you in advance for your help. If you have any questions or need any additional information, please call either Ms. Cara MacNinch at 505-244-7716 or me at (505) 242-5700.

Sincerely,

MOLZEN-CORBIN & ASSOCIATES

Jane M. Lacero

Jane M. Lucero

JML:jgo Enclosures

2701 MILES RD SE ALBUQUERQUE, NM 87106 TEL: 505.242.5700 FAX: 505.242.0673

MOLZEN-CORBIN

& Associates

ENGINEERS/ARCHITECTS/PLANNERS

May 16, 2006

Small Business Development Center Santa Fe Community College 6401 Richards Rd. Santa Fe, New Mexico 87505

RE: City of Albuquerque – Aviation Department Disadvantaged Business Enterprise Program - FY 2007 Overall Goals

Dear Sir or Madam:

We are in the process of completing the overall goal portion of the City of Albuquerque Aviation Department Disadvantaged Business Enterprise (DBE) Plan. According to 49 CFR Parts 23 and 26, as part of our public participation process, we are requesting that you please review the enclosed overall goals for the City of Albuquerque – Aviation Department and fill out the enclosed sheet with your comments.

The City of Albuquerque – Aviation Department utilizes the DBE database of the New Mexico Department of Transportation (NMDOT). Encouraging minority-owned and women-owned businesses to participate in this program might increase the percentages for future projects. For information on how to participate in the DBE program through the NMDOT, please contact Mr. Lance Lalich at 505-827-1776.

Please send your comments in the enclosed self-addressed, stamped envelope no later than May 25, 2006. You could also fax your comments to Ms. Cara MacNinch at 505-244-7793 or e-mail your comments to cmacninch@cabq.gov. Additionally, if you have information of DBE businesses (contractors, material suppliers, etc.), please share with them the potential of work under these projects.

We would like to thank you in advance for your help. If you have any questions or need any additional information, please call either Ms. Cara MacNinch at 505-244-7716 or me at (505) 242-5700.

Sincerely,

MOLZEN-CORBIN & ASSOCIATES

Jame M. Rucero

Jane M. Lucero

JML:jgo